

107TH CONGRESS
2D SESSION

S. 2213

To amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 2002

Mr. DAYTON (for himself and Mr. SESSIONS) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION OF CERTAIN OVERSEAS PAY OF**
4 **MEMBERS OF THE ARMED FORCES.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 (relating to
7 items specifically excluded from gross income) is amended
8 by inserting after section 112 the following new section:

1 **“SEC. 113. CERTAIN OVERSEAS PAY OF MEMBERS OF THE**
2 **ARMED FORCES.**

3 “(a) IN GENERAL.—Gross income does not include
4 compensation received for covered service as a member in
5 the Armed Forces of the United States.

6 “(b) COVERED SERVICE.—For purposes of this
7 section—

8 “(1) IN GENERAL.—The term ‘covered service’,
9 with respect to a member, means service outside the
10 United States in an assignment that is a permanent
11 change of station for which travel, transportation,
12 and housing of dependents at Government expense
13 would generally not be authorized under policies of
14 the Secretary concerned that are applicable to that
15 assignment, except in the case of service in such an
16 assignment for which such travel, transportation,
17 and housing is actually authorized as an exception to
18 the applicable policy.

19 “(2) SECRETARY CONCERNED.—The term ‘Sec-
20 retary concerned’ has the meaning given the term in
21 section 101(a)(9) of title 10, United States Code.”.

22 (b) CONFORMING AMENDMENT.—Section 3401(a) of
23 the Internal Revenue Code of 1986 is amended by striking
24 “or” at the end of paragraph (20), by striking the period
25 at the end of paragraph (21) and inserting “; or”, and
26 by adding at the end the following new paragraph:

1 “(22) as compensation described in section
2 113.”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for part III of subchapter B of chapter 1 of the Internal
5 Revenue Code of 1986 is amended by inserting after the
6 item relating to section 112 the following new item:

 “Sec. 113. Certain overseas pay of members of the Armed
 Forces.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to remuneration paid in taxable
9 years beginning after the date of the enactment of this
10 Act.

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